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(PRE-FILED)

By: Chairman, Economic Matters Committee (Departmental - Labor, Licensing and Regulation)

Requested: October 26, 2000

Introduced and read first time: January 10, 2001

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concern	ning	
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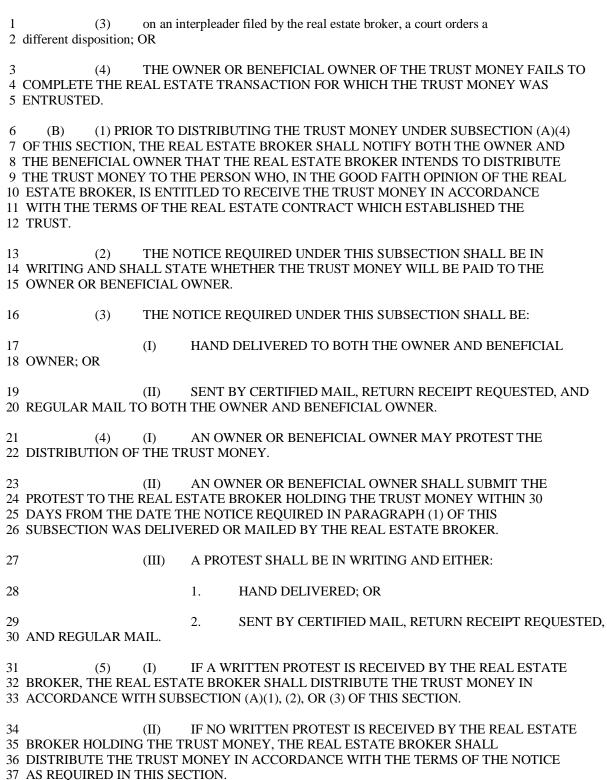
2 Real Estate Transactions - Distribution of Trust Money

- 3 FOR the purpose of altering the circumstances under which a real estate broker may
- distribute certain trust money; requiring a real estate broker to provide certain
- 5 notice to certain persons in a certain manner prior to the distribution of certain
- 6 trust money; authorizing certain persons to protest the distribution of the trust
- 7 money; providing that the real estate broker will not be liable for the
- 8 distribution under certain circumstances; and generally relating to the
- 9 distribution of trust money by real estate brokers.
- 10 BY repealing and reenacting, with amendments,
- 11 Article Business Occupations and Professions
- 12 Section 17-505
- 13 Annotated Code of Maryland
- 14 (2000 Replacement Volume and 2000 Supplement)
- 15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 16 MARYLAND, That the Laws of Maryland read as follows:

17 Article - Business Occupations and Professions

18 17-505.

- 19 (a) A real estate broker shall maintain trust money in an account authorized
- 20 under this Part I of this subtitle until:
- 21 (1) the real estate transaction for which the trust money was entrusted
- 22 is consummated or terminated:
- 23 (2) the real estate broker receives proper written instructions from the
- 24 owner and beneficial owner directing withdrawal or other disposition of the trust
- 25 money; [or]



- 1 [(b)] (C) When the duty of the real estate broker to maintain trust money in 2 an account terminates, the real estate broker promptly shall account for all trust
- 3 money.
- 4 [(c)] (D) A real estate broker may invest trust money:
- 5 (1) as the owner and beneficial owner of the trust money instruct in
- 6 writing; or
- 7 (2) as the real estate broker, owner, and beneficial owner of the trust
- 8 money agree in writing.
- 9 (E) A REAL ESTATE BROKER WHO HAS IN GOOD FAITH DISTRIBUTED THE
- 10 TRUST MONEY UNDER SUBSECTION (A)(4) OF THIS SECTION MAY NOT BE LIABLE TO
- 11 AN OWNER OR BENEFICIAL OWNER FOR THE DISTRIBUTION OF THE TRUST MONEY.
- 12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 13 October 1, 2001.